

ASSEMBLY BILL

No. 2588

Introduced by Assembly Member Campbell

February 25, 2000

An act to add Sections 17041.5, 18501.5, 23151.5, and 23802.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2588, as introduced, Campbell. Income and bank and corporation taxes: rates: federal.

The Personal Income Tax Law, the Bank and Corporation Tax Law, and related administrative law, provide for the imposition of taxes at specified rates and for the filing of returns, as provided.

This bill would provide that the taxes imposed pursuant to those laws shall be a percentage of the taxpayer's federal tax liability for the same taxable year. This bill would exclude certain individuals from the requirement to file a return.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17041.5 is added to the Revenue
2 and Taxation Code, to read:
3 17041.5. (a) Notwithstanding any other law to the
4 contrary, for each taxable year beginning on or after

January 1, 2000, the tax imposed under this part shall be a percentage of the taxpayer's federal tax liability, prior to the application of any federal tax credits, for the same taxable year, as follows:

Single or married filing separate:

| | | | |
|--------|---|----------|---------|
| \$ 0 | — | \$ 5,351 | _____ % |
| 5,131 | — | 12,161 | _____ % |
| 12,161 | — | 19,193 | _____ % |
| 19,193 | — | 26,644 | _____ % |
| 26,644 | — | 33,673 | _____ % |
| 33,673 | — | and over | _____ % |

Married filing joint and surviving spouse:

| | | | |
|--------|---|-----------|---------|
| \$ 0 | — | \$ 10,262 | _____ % |
| 10,262 | — | 24,322 | _____ % |
| 24,322 | — | 38,386 | _____ % |
| 38,386 | — | 53,288 | _____ % |
| 53,288 | — | 67,364 | _____ % |
| 67,364 | — | and over | _____ % |

Head of household:

| | | | |
|--------|---|-----------|---------|
| \$ 0 | — | \$ 10,262 | _____ % |
| 10,264 | — | 24,323 | _____ % |
| 24,323 | — | 31,353 | _____ % |
| 31,353 | — | 38,803 | _____ % |
| 38,803 | — | 45,833 | _____ % |
| 45,833 | — | and over | _____ % |

(b) This section shall not apply to a taxpayer who has any income generated in another state or country.

(c) The tax computed under subdivision (a) shall be reduced by any credits allowed by this part.

SEC. 2. Section 18501.5 is added to the Revenue and Taxation Code, to read:

1 18501.5. Notwithstanding Section 18501 an individual
2 shall not be required to make a return if his or her federal
3 adjusted gross income is less than:

- 4 1. \$ _____ if single.
- 5 2. \$ _____ if married.

6 SEC. 3. Section 23151.5 is added to the Revenue and
7 Taxation Code, to read:

8 23151.5. (a) Notwithstanding any other law to the
9 contrary, for each income year beginning on or after
10 January 1, 2000, the tax imposed under this part shall be
11 _____ percentage of the taxpayer's federal tax liability,
12 prior to the application of any federal tax credits, for the
13 same taxable year.

14 (b) This section shall not apply to an entity who has
15 any income that is generated in another state or country.

16 (c) The tax computed under subdivision (a) shall be
17 reduced by any credits allowed by this part.

18 SEC. 4. Section 23802.5 is added to the Revenue and
19 Taxation Code, to read:

20 23802.5. (a) Notwithstanding any other law to the
21 contrary, for each income year beginning on or after
22 January 1, 2000, the tax imposed under this part in the case
23 of an "S corporation" shall be _____ percentage of the
24 taxpayer's federal tax liability, prior to the application of
25 any federal tax credits, for the same taxable year.

26 (b) This section shall not apply to an entity who has
27 any income that is generated in another state or country.

28 (c) The tax computed under subdivision (a) shall be
29 reduced by any credits allowed by this part.

30 SEC. 5. This act provides for a tax levy within the
31 meaning of Article IV of the Constitution and shall go into
32 immediate effect.